SECURITY CLASSIFICATION

NSA STAFF PROCESSING FORM

TO	EXREG CONTROL NUMBER	KCC CONTROL NUMBER
DIRECTOR	86022	IG-10123-03

THRU: D/DIR, D SECRETARIAT

ACTION: [ ] APPROVAL [X] SIGNATURE [ ] INFORMATION

EXREG SUSPENSE:

KCC SUSPENSE:

ELEMENT SUSPENSE:

SUBJECT: Quarterly Report to the Intelligence Oversight Board on NSA Activities - First Quarter FY03 (U//~~FOUO~~)

DISTRIBUTION

SUMMARY

PURPOSE: To forward to the Intelligence Oversight Board (IOB) of the President's Foreign Intelligence Advisory Board, via the Assistant to the Secretary of Defense for Intelligence Oversight (ATSD(IO)), NSA's quarterly report on its intelligence activities.

BACKGROUND: Executive Order 12333 and Executive Order 12863 require Intelligence Community agency heads and Intelligence Community General Counsels and Inspectors General, respectively, to report to the IOB on a quarterly basis concerning intelligence activities that they have reason to believe may be unlawful or contrary to Executive Order or Presidential Directive. Enclosed memorandum covers all activities reportable to the PIOB known to the Inspector General and General Counsel. Per PIOB letter of 6 August 1982, Agency heads are responsible for reporting separately any additional reportable activities known to them, unless the President has specifically instructed that the Board is not to be informed. Director's signature signifies that no other activities which require reporting to the PIOB are known to him.

RECOMMENDATION: Director sign the enclosed memorandum.

(b)(3)-P.L. 86-36

Approved for Release by NSA on 12-19-2014, FOIA Case # 70809 (Litigation)

DECLASSIFY UPON REMOVAL OF THE ENCLOSURE(S)

COORDINATION/APPROVAL

OFFICE	NAME AND DATE	SECURE PHONE	OFFICE	NAME AND DATE	SECURE PHONE
			DOS	Wayne 3/21/03	3201
Acting GC	Vito Potenza 20MAR03	5548s			
AGC(O)		3121s			
IG	Joel F. Brenner	3544s			
D/IG		3544s			

ORIGINATOR	ORG.	PHONE (Secure)	DATE PREPARED
	D11	963-3544	11 March 2003

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DATED: 24 February 1998
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NATIONAL SECURITY AGENCY
CENTRAL SECURITY SERVICE
FORT GEORGE G. MEADE, MARYLAND 20755-6000

25 March 2003

MEMORANDUM FOR THE CHAIRMAN, INTELLIGENCE OVERSIGHT BOARD

THRU: Assistant to the Secretary of Defense (Intelligence Oversight)

SUBJECT: (U//~~FOUO~~) Report to the Intelligence Oversight Board on NSA Activities - INFORMATION MEMORANDUM

(U//~~FOUO~~) Except as previously reported to you or the President, or otherwise stated in the enclosure, we have no reason to believe that any intelligence activities of the National Security Agency during the quarter ending 31 December 2002 were unlawful or contrary to Executive Order or Presidential Directive, and thus required to be reported pursuant to Section 1.7.(d) of Executive Order 12333.

(U//~~FOUO~~) The Inspector General and the General Counsel continue to exercise oversight of Agency activities by means of inspections, surveys, training, review of directives and guidelines, and advice and counsel. These activities and other data requested by the Board or members of the staff of the Assistant to the Secretary of Defense (Intelligence Oversight) are described in the enclosure.

JOEL F. BRENNER
Inspector General

VITO T. POTENZA
Acting General Counsel

(U//~~FOUO~~) I concur in the report of the Inspector General and the General Counsel and hereby make it our combined report.

MICHAEL V. HAYDEN
Lieutenant General, USAF
Director, NSA/Chief, CSS

Encl:
a/s

This Memorandum is Unclassified Upon Removal of Enclosure

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1. (U) INSPECTOR GENERAL ACTIVITIES

a. ~~(C//SI)~~ During this quarter, the Office of Inspector General (OIG) reviewed various intelligence activities of the National Security Agency/Central Security Service (NSA/CSS) to determine whether they were conducted in accordance with applicable statutes, Executive Orders, Attorney General procedures, and DoD and internal directives. With few exceptions, the issues presented were routine and indicated that the operating elements understand the restrictions on NSA/CSS activities.

b. ~~(S//NF)~~ The NSA OIG completed an inspection of the [redacted] organization chartered to develop [redacted] As executive agent, the DIRNSA provides [redacted] with people, intelligence information, and administrative and enabling support. The inspection found that the NSA affiliates assigned to [redacted] detailed to NSA organizations are well versed in their intelligence oversight responsibilities.

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c. (U//~~FOUO~~) Along with inspectors [redacted] the NSA OIG conducted a Joint Inspection of the [redacted] The inspection found several weaknesses in the [redacted] Intelligence Oversight (IO) program. The [redacted] had not formally designated an IO Officer. Binders containing all of the required IO references were found in the workspaces throughout the [redacted] However, all IO references were not readily accessible on the [redacted] home page on the NSA intranet and the [redacted] web-based IO refresher training did not meet DoD and NSA minimum requirements. Remedial steps have been taken to address these shortcomings

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2. (U) GENERAL COUNSEL ACTIVITIES

~~(C//SI)~~ The NSA Office of General Counsel (OGC) reviewed various intelligence activities of the NSA/CSS to determine whether they were conducted in accordance with applicable statutes, Executive Orders, Attorney General procedures, and DoD and internal directives. The OGC advised Agency elements on a number of questions, including the collection and dissemination of communications of or

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concerning U.S. persons; the reporting of possible violations of federal criminal law contained in SIGINT product; the testing of electronic equipment; and the applicability of the FISA. With few exceptions, the issues presented were routine and indicated that the operating elements understand the restrictions on NSA/CSS activities. The OGC did not file any reports with the Intelligence Oversight Board during this quarter.

3. (U) SIGINT ACTIVITIES

a. ~~(S//SI)~~ Collection Against U.S. Persons

(1) (U) Intentional

~~(S//SI)~~ During this quarter, the DIRNSA granted approval for consensual collection against persons; DIRNSA-approved consensual collection against U.S. persons was routinely terminated this quarter.

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~~(S//SI)~~ The Attorney General granted authority to collect the communications of ten U.S. persons during this quarter.

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(b)(3)-18 USC 798
(b)(3)-50 USC 3024(i)

(2) (U) Unintentional

(b)(1)
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~~(TS//SI)~~ while targeting intercepted a telephone conversation between a probable U.S. person in and a probable U.S. person Only the communicant in was audible. A request to waive the destruction of the probable U.S. to U.S. communication was drafted but not pursued, although the traffic was retained. Due to the passage of time and the tentative nature of the communication, the waiver will not be sought, and the traffic will be destroyed.

~~(TS//SI)~~ entered the cell phone identifiers of the into the without proper authorization. As soon as the error was

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(b)(3)-18 USC 798
(b)(3)-50 USC 3024(i)

identified by [ ] Headquarters, it informed [ ] and all identifiers related to both persons were immediately removed from [ ] [ ] No hits occurred on either identifier.

~~(TS//SI)~~ In an effort to target foreign [ ] [ ] site conducted [ ] [ ] was downloaded into [ ] processing system for target development. Identifiers found to belong to U.S. persons were removed from [ ] immediately upon recognition.

(b)(1)
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~~(S//SI//NF)~~ This quarter, unintentional retrieval strategies using the [ ] raw traffic files resulted in [ ] incidents against U.S. persons. All incidents were reported to responsible oversight officials and corrective actions were taken.

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b. (U//~~FOUO~~) **Dissemination of U.S. Identities**

(b)(1)
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(1) (U) Intentional

~~(S//SI)~~ In accordance with section 7 of USSID 18, [ ] U.S. identities were disseminated. The following table shows the justification and the number of instances of dissemination: In the "Unmasked" column, the U.S. identity was revealed in a serialized end product; in the "User Requested" column, a U.S. identity was released to a user at the user's request.

JUSTIFICATION	Unmasked	User Requested	TOTAL
7.2.c Necessary	[redacted]		
7.2.c.1 Foreign Official			
7.2.c.2 Disclosure of class. info			
7.2.c.3 International narcotics			
7.2.c.4 Criminal activity			
7.2.c.7 U.S. Government Official			
TOTAL			

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(2) (U) Unintentional

~~(S//SI)~~ During this quarter, [redacted] SIGINT products were canceled because they contained the identities of U.S. persons, organizations, or entities.

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(3) (U) Raw Traffic Dissemination Outside the SIGINT Production Chain

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(b)(3)-18 USC 798
(b)(3)-50 USC 3024(i)

~~(S//SI)~~ [redacted] provided raw traffic electronically to [redacted] personnel [redacted] Once it was realized that this activity was occurring, the release of raw SIGINT to unauthorized users was immediately terminated. A concept of operations has since been developed detailing strict handling and dissemination procedures designed to ensure adequate protection of the raw data.

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~~(S//SI)~~ An individual in [redacted] improperly disseminated raw traffic via e-mail to an NSA contractor who is not in the SIGINT production chain. The unintentional recipient subsequently purged the e-mail.

4. (U) OTHER ACTIVITIES

(U) Integrees in Analysis and Production

(b)(1)
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~~(S//SI//NF)~~ During this quarter, [redacted] In all cases, these individuals were provided with USSID 18 training. Organizations having integrees at NSA included [redacted]

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(U) Assistance to Law Enforcement

~~(S//SI//NF)~~ [redacted] provided support to [redacted]

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during the quarter. This support included [redacted]

~~(S)~~ [redacted] the NSA Office of Security began conducting a [redacted] wherein data is collected about [redacted] encountered at NSA [redacted] Information regarding unusual and/or suspicious activity acquired during the [redacted] process is disseminated to [redacted] for further investigation.

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(U//~~FOUO~~) The Office of Security provided [redacted] at the request of the FBI and with concurrence of the NSA OGC.

(U) Working Aids

(U) No new working aids were developed during the quarter.

(U) Databases

~~(S//SI)~~ Numerous branches in [redacted] consistent with OGC guidance, [redacted] to avoid USSID-18 violations. Only information that is essential to understanding the intelligence is included. [redacted] Additionally, many Offices of Primary Interest [redacted] in order to ensure that they are not collected against or named in product.

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1 OGA (b)(6)	NSA Quarterly Report to the Intelligence Oversight Board on NSA Activities	~~S//SI//NF~~

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